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IN THE

Supreme Court of the United States

October Term, 1951.

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO.,

Petitioners,

v.

THE HONORABLE PAUL LEAHY, UNITED STATES DISTRICT JUDGE,

and

SCHLUMBERGER WELL SURVEYING CORPORATION,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

LEONARD S. LYON,
THOMAS COOCH,
LEONARD S. LYON, JR.,
RICHARD E. LYON,
Counsel for Petitioners.

International, 236 Chestnut St., Phila. 6, Pa.

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IN THE

Supreme Court of the United States.

OCTOBER TERM, 1951.

No.

GULF RESEARCH & DEVELOPMENT COMPANY,
WELEX JET SERVICES, INC.,
AND BYRON JACKSON CO.,

Petitioners,

v.

THE HONORABLE PAUL LEAHY,
UNITED STATES DISTRICT JUDGE,

and

SCHLUMBERGER WELL SURVEYING
CORPORATION,

Respondents.

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT.

To the Honorable Fred M. Vinson, Chief Justice, and the Associate Justices of the Supreme Court of the United States:

Your petitioners, Gulf Research and Development Company, Welex Jet Services, Inc., and Byron Jackson Co., respectfully pray that a Writ of Certiorari issue to review an order of the United States Court of Appeals for the Third Circuit entered in the above entitled case on December 13, 1951, denying a petition for a writ of mandamus by that Court to The Honorable Paul Leahy, United States District Judge for the District of Delaware. The writ sought was to direct Judge Leahy to vacate and set aside an order entered by him in the United States District Court for the District of Delaware in an action entitled *Gulf*

Research and Development Company et al. v. Schlumberger Well Surveying Corporation, Civil Action No. 1342, denying a motion of your petitioners, plaintiffs in that Court, to transfer the case to the Southern District of California, Central Division.

OPINIONS BELOW.

The opinion of the District Court (R. 21) in the proceedings out of which the instant petition arises is reported sub nom. *Gulf Research and Development Company et al. v. Schlumberger Well Surveying Corporation,* 98 F. Supp. 198. The opinion of the Court of Appeals (R. 41) is reported in 193 F. 2d 302.

JURISDICTION.

The order of the Court of Appeals was entered on December 13, 1951 (R. 48). The jurisdiction of this Court is invoked under Title 28, U. S. C. § 1254 (1).

QUESTIONS PRESENTED.

1. Where an action has been transferred to a different district purportedly under revised Title 28, U. S. C. § 1406 (a), and where as a matter of law the district court had no power to make such transfer, is mandamus proper to compel the district court in the transferee district to determine the legality of the transfer where such court had declined to make such determination after the filing of a motion to retransfer the action?

2. Where a district court having no power so to do has transferred an action to a different district, should the Court of Appeals for the transferee district order a retransfer of the action before trial?

3. Whether under the venue provisions of revised Title 28, U. S. C. §§ 1391 (c) and 1400 (b), venue is properly laid against a corporate defendant in a patent infringement action in any district in which that defendant is doing business.

STATUTES INVOLVED.

The pertinent statutory provisions are printed in Appendix A (*infra*, page 15).

STATEMENT.

An action for patent infringement (R. 7) was filed by petitioners on March 20, 1950 in the Southern District of California, Central Division. On April 10, 1950, the defendant in that action filed a motion (R. 9) to dismiss the complaint under revised Title 28, U. S. C. § 1406 (a) for want of proper venue. Judge Harrison of the District Court for the Southern District of California, Central Division, did not dismiss the action, but ordered the transfer thereof to the United States District Court for the District of Delaware. *Gulf Research and Development Company et al. v. Schlumberger Well Surveying Corporation,* (D. C. S. D. Cal., 1950) 92 F. Supp. 16 (R. 11). Judge Harrison's order (R. 32) was based upon the ground that there was no allegation in the complaint that the defendant had committed acts of infringement and had a regular and established place of business in the Southern District of California and that venue was therefore improper.

Judge Harrison's ruling did not involve the exercise of discretion but rather was based solely on a point of law. The defendant corporation admitted that it was doing business in the Southern District of California. The only question before Judge Harrison was whether, under the venue provisions of revised Title 28, U. S. C. (effective September 1, 1948) the Congressional definition of corporate residence as including the judicial district in which a corporate defendant is doing business applies to an action for patent infringement. Judge Harrison held that it does not and that these venue provisions require that patent infringement actions against a corporation be brought either in the state of its incorporation or where the corporation has both committed acts of infringement and has a regular and established place of business. Peti-

tioners contended that while such was the rule under the old Judicial Code, revised Title 28, U. S. C. defines corporate residence for venue purposes, which definition, by the plain language of the statutes involved, is applicable to patent infringement actions. Thus, revised Title 28, U. S. C. § 1400 (b) establishes venue requirements in patent infringement actions. It reads:

> "(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

In the case of corporate defendants, revised Title 28, U. S. C. § 1391 (c) provides that a corporation is a resident of any judicial district in which it is doing business. This sub-section reads:

> "(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

It was petitioners' contention that since the defendant corporation was doing business in the Southern District of California, under § 1391 (c) it resided, for venue purposes, in that district. As a resident of such district, it could properly be sued there for patent infringement under § 1400 (b).

Following the signing of the order transferring the case to Delaware, petitioners filed an application to the Court of Appeals for the Ninth Circuit for leave to file a petition for a writ of mandamus or prohibition directing Judge Harrison to withdraw his order of transfer. This application was granted, and on November 20, 1950, that court rendered its opinion denying the petition sought (R. 16). The ground for such denial was that the case was not such an extraordinary one as to justify issuance of the writ. *Gulf Research and Development Company et al. v.*

Harrison, (9 Cir., 1950) 185 F. 2d 457, 459. No consideration whatever was given to the merits of the venue question presented.

Immediately after the transfer of the case to the United States District Court for the District of Delaware, petitioners moved to transfer the case back to the Southern District of California, Central Division, on the ground that proper venue was in the Southern District of California, and that the case had been transferred to the District of Delaware improperly and contrary to law. Judge Leahy of the District Court for the District of Delaware denied petitioners' motion to transfer on the ground that for him to review Judge Harrison's earlier ruling "would be a usurpation of an appellate function". *Gulf Research and Development Company, et al v. Schlumberger Well Surveying Corporation* (D. C. Del., 1951) 98 F. Supp. 198, 201 (R. 26).

Petitioners then filed, in the Court of Appeals for the Third Circuit, a petition for writ of mandamus to Judge Leahy, directing him to set aside his order denying petitioners' motion to transfer and to consider petitioners' motion on its merits, or in the alternative, to grant such motion (R. 1).

The Court of Appeals for the Third Circuit, in an opinion rendered December 13, 1951 (R. 41), denied this petition on the ground that the original transfer order would be reviewable on appeal after final judgment, and therefore an appropriate case for mandamus was not presented. *Gulf Research and Development Company et al. v. Leahy*, (3 Cir., 1951), 193 F. 2d 302. The Court relied upon the authority of *Ex parte Fahey* (1947), 332 U. S. 258; *Roche v. Evaporated Milk Assn.*, (1943) 319 U. S. 21; and *U. S. Alkali Assn. v. U. S.*, (1945) 325 U. S. 196.

Throughout these proceedings, it has been petitioners' contention that venue was properly laid in the Southern District of California. Revised Title 28, U. S. C. § 1406 (a), under which Judge Harrison of the District Court for such district purported to act, empowers a court to transfer an

action only where venue is laid in the wrong district. Accordingly Judge Harrison had no power to transfer the action from the Southern District of California to the District of Delaware.

REASONS FOR GRANTING THE WRIT.

1. The decision of the Court of Appeals holding mandamus inappropriate is in direct conflict with a decision by the Court of Appeals for the Seventh Circuit in *C-O-Two Fire Equipment Company v. John P. Barnes, Judge of the United States District Court for the Northern District of Illinois,* (February 1, 1952) F. 2d , printed in Appendix B (*infra,* pp. 16 to 26). There, the defendant corporation, in a patent infringement action, had moved under revised Title 28, U. S. C. § 1406 (a) to dismiss, or in the alternative, transfer for want of proper venue. The defendant conceded that it was doing business within the district, and Judge Barnes held that under revised Title 28, U. S. C. § 1391 (c), the defendant was therefore a resident of the district and amenable to venue in a patent infringement action under revised Title 28, U. S. C. § 1400 (b). The defendant then filed, in the Court of Appeals for the Seventh Circuit, a petition for a writ of mandamus directing Judge Barnes to vacate his order denying the defendant's motion and further directing him to grant the motion. Regarding the propriety of mandamus, the Court stated:

> "In the beginning, we conclude that this court has the power to issue the writ of mandamus and, if petitioner is correct in its position, that it is an appropriate case for the exercise of such power."

The Court granted the relief sought by the petition.

2. In addition to the above conflict, the decision of the Court of Appeals for the Third Circuit holding mandamus inappropriate is in conflict with the decision of the Court of Appeals for the Second Circuit in *Foster-Milburn, et al. v. Knight,* (1950) 181 F. 2d 949; with the decision of the

Court of Appeals for the Ninth Circuit in *Shapiro v. Bonanza Hotel, Inc.*, (1950) 185 F. 2d 777; and with the decision of the Court of Appeals for the Seventh Circuit in *Fettig Canning Co. v. Steckler*, (1951) 188 F. 2d 715, cert. den. 341 U. S. 951. In essence, petitioners have sought in the court below a review of Judge Harrison's transfer order on the ground that the order was made without statutory authority. In each of the enumerated cases, the courts entertained on their merits petitions for mandamus in transfer cases which involved a want of statutory authority to make the proposed transfer. This conflict was conceded by the Court of Appeals below, which, after referring to these three cases, stated in its opinion:

> "It must be conceded that these cases conflict in principle with our present decision."

3. The remedial question presented is an important question of Federal law which has not been, but which should be, settled by the Supreme Court. Revised Title 28, U. S. C. has introduced a novel procedure into federal practice, authorizing the courts to transfer actions to other districts either where the convenience of the parties and witnesses and the interest of justice so required, (§ 1404 (a)), or where venue has been improperly laid (§ 1406 (a)). Revised Title 28, U. S. C. contains no provisions relating to the reviewability of orders denying or granting motions for such transfers. The Courts of Appeals have, however, unanimously held that such orders, being interlocutory, are not appealable. *Paramount Pictures v. Rodney*, (3 Cir., 1950), 186 F. 2d 111, cert. den. 340 U. S. 953; *Ford Motor Co. v. Ryan*, (2 Cir., 1950), 182 F. 2d 329; *Shapiro v. Bonanza Hotel Co.*, (9 Cir., 1950) 185 F. 2d 777.

Whether such orders are reviewable by mandamus presents a novel and troublesome question of considerable importance. This is sharply illustrated by the language of Judge Frank in an opinion dissenting in part in *Magnetic Engineering & Mfg. Co. v. Dings Mfg. Co.*, (2 Cir., 1949) 178 F. 2d 866, wherein the court had declined to review an

order transferring a case under revised Title 28, U. S. C. § 1404 (a) on the ground that the Court of Appeals for the transferee district was a more appropriate tribunal to make such review. Judge Frank stated, 178 F. 2d at 870:

> "• • • However, Congress, when it recently substituted a transfer order for an order of dismissal previously used (under the forum non conveniens doctrine) in cases like this, almost surely did not plan such a result, *i.e.*, I think that Congress did not have in mind that the transfer order would be interlocutory and non-appealable. I think, therefore, that a sense of justice should prompt us to grant relief, if possible, by way of mandamus. • • •"

A great state of confusion and uncertainty exists in the various Courts of Appeals on the question. Compare *Paramount Pictures v. Rodney*, (3 Cir., 1950), 186 F. 2d 111, cert. den. 340 U. S. 953, holding mandamus proper, with the decision in the instant proceedings by the same court holding mandamus improper; *Gulf Research and Development Company, et al. v. Harrison*, (9 Cir., 1950) 185 F. 2d 457, holding mandamus improper, with *Shapiro v. Bonanza Hotel Co.*, (9 Cir., 1950) 185 F. 2d 777, holding mandamus proper; *Magnetic Engineering & Mfg. Co. v. Dings Mfg. Co.*, (2 Cir. 1950) 178 F. 2d 866, holding mandamus improper, at least as to the Court of Appeals of the transferor district, with *Foster-Milburn Co., et al. v. Knight*, (2 Cir., 1950) 181 F. 2d 949, holding mandamus proper by the Court of Appeals in the transferor district. See also *Nicol v. Koscinski*, (6 Cir., 1951) 188 F. 2d 537; *Fettig Canning Co. v. Steckler*, (7 Cir., 1951) 188 F. 2d 715, cert. den. 341 U. S. 951; *Atlantic Coast R. Co. v. Davis*, (5 Cir., 1950) 185 F. 2d 766, each holding transfer orders reviewable by mandamus; and *Ford Motor Co. v. Ryan*, (2 Cir., 1950) 182 F. 2d 329, holding an order denying a transfer reviewable by mandamus.

These cases amply demonstrate that the reviewability of orders transferring or refusing to transfer is a novel question presented by revised Title 28, U. S. C. and one which is not only of very frequent occurrence, but further, one as to which confusion and uncertainty exist in the Courts of Appeals. Under these circumstances, an early and definitive ruling by the Supreme Court is essential to the effective administration of the law.

4. The Court of Appeals for the Third Circuit appears to hold that if Judge Harrison's transfer order were improper, such would constitute reversible error on appeal after final judgment. Thus, the Court states in its opinion (R. 44):

> "Accordingly unless the plaintiffs should subsequently waive their objections to the order of transfer, they will be entitled to assert it on appeal and, if the objection is sustained, obtain from this Court an order vacating the judgment of the Delaware district court and directing the remand of the action to the Southern District of California."

Such holding conflicts in principle with decisions of the Courts of Appeals for the Second and Fifth Circuits, and indeed with an earlier decision by the Court of Appeals for the Third Circuit. *Ford Motor Co. v. Ryan,* (2 Cir., 1950) 182 F. 2d 329; *Atlantic Coast R. Co. v. Davis,* (5 Cir., 1950) 185 F. 2d 766; *Paramount Pictures v. Rodney,* (3 Cir., 1950) 186 F. 2d 111, cert. den. 340 U. S. 953. In each of these decisions, the courts have expressly recognized that an improper order transferring or refusing to transfer a case will not normally be correctible on appeal after trial. While each of these cases involves transfer orders under revised Title 28, U. S. C. § 1404 (a), the section concerning forum non conveniens, rather than § 1406 (a), the section concerning improper venue here involved, your petitioners submit that the question presented is the same.

If the Court of Appeals by the above quoted language holds only that an improper transfer order is reversible on appeal after trial providing sufficient prejudice could be established to justify such a reversal, and assuming as did the Courts in the cases cited above that such prejudice could not normally be shown, the effect of the denial of the writ of mandamus in the instant case is to deprive petitioners of any appellate review of Judge Harrison's action and thereby to deprive petitioners of their choice of venue expressly provided by the statutes. Such a result so far departs from the accepted and usual course of judicial proceedings as to call for an exercise by this Court of its power of supervision.

5. Over and beyond the question presented as to mandamus, an early and definitive ruling by this Court on the underlying venue question is essential to the orderly administration of justice and to resolve the conflict and confusion respecting it existing throughout the country. For this reason, petitioners particularly urge that this Court rule directly on the merits of the venue question here presented. Whether in patent infringement actions (and more generally in other types of actions subject to special venue statutes) venue can be laid against a corporate defendant in any district in which it is licensed to do business or is doing business, is clearly a question of prime importance to litigants in the federal courts. Unfortunately, however, the lower courts are in hopeless confusion on this novel and troublesome question, arising under the provisions of revised Title 28, U. S. C.

A review of known district court cases in which the question has arisen emphasizes the importance of the question in view of the frequency with which it has arisen. Moreover, such review brings in sharp focus the conflict and confusion with which the courts and litigants are confronted under the present state of the law. Thus, in the following patent infringement actions, the district courts

have held a corporate defendant amenable to venue where it was doing business within the district:

Radio Corporation of America v. Paramount Pictures, Inc., et al., (D. C. S. D. Cal., 1950), Civil Action No. 8070-WM, unreported;

Farr v. Gratiot, et al., (D. C. S. D. Cal., C. D. 1950) 92 F. Supp. 320;

Sponge Products v. Fuller Brush Co., (D. C. N. D. Ill., 1951), Civil Action No. 51 C 382, unreported;

Cardox v. C-O-Two, (D. C. N. D. Ill., 1951), Civil Action No. 51 C 1007, unreported, reversed sub nom. *C-O-Two Fire Equipment Company v. Barnes*, No. 10512, (7 Cir., Feb. 1, 1952) F. 2d .

On the other hand, in the following patent infringement actions, the district courts have held a corporate defendant not amenable to venue even though it was doing business within the district:

Gulf Research and Development Company, et al. v. Schlumberger Well Surveying Corporation, (D. C. S. D. Cal., C. D., 1950) 92 F. Supp. 16;

Dalton v. Shakespeare Company, (D. C. S. D. Fla., 1951) Case No. 1884-Civil Tampa, unreported;

Aetna Ball & Roller Bearing Co. v. The Federal Bearing Company, Inc., (D. C. N. D. Ill., E. D. 1950), Civil Action No. 50 C 857, unreported;

Nachtman v. Jones & Laughlin Steel Corp., (D. C. D. of C., 1950) 90 F. Supp. 739.

The only decision on the question by any court of appeals is *C-O-Two Fire Equipment Company v. Barnes*, No. 10512 (7 Cir., Feb. 1, 1952) F. 2d . Here, in a split

decision, the Court held that the new Congressional definition of corporate residence for venue purposes contained in § 1391 (c) of revised Title 28, U. S. C. does not apply to the residence alternative of the patent venue section, and accordingly, that both a regular and established place of business and acts of infringement within the district are required where the defendant is incorporated under the laws of a different state. In a dissenting opinion, Judge Lindley stresses the clear language of the venue provisions of revised Title 28. Further, Judge Lindley points out that the effect of the decision is to add an exception to revised Title 28, U. S. C. § 1391 (c) excluding patent infringement actions and that such an addition to the statute is beyond the judicial function. In addition to the *C-O-Two* case, petitioners are advised that an appeal is currently pending in the Court of Appeals for the Fifth Circuit in the *Dalton v. Shakespeare* case, and was to have been argued March 11, 1952. In that case, the district court dismissed for want of proper venue, and it is from the judgment of dismissal that the appeal has been taken.

Besides the above noted patent infringement actions, the broader question as to whether revised Title 28, U. S. C. § 1391 (c) defines residence of corporate defendants for venue purposes in other types of actions involving special venue statutes has frequently arisen. For example, it has been held that such definition does apply in actions brought under the Jones Act (Title 46, U. S. C. § 688). *Bagner v. Blidberg Rothchild Co.*, (D. C. E. D. Pa., 1949) 84 F. Supp. 973; *Bounds v. Streckfus Steamers* (D. C. D. Del., 1950) 89 F. Supp. 242; and *Mincy v. Detroit & Cleveland Navigation Co.*, (D. C. S. D., N. Y., 1950) 94 F. Supp. 456. Similarly, in *Lipp, et al. v. National Screen Service Corp.*, (D. C. E. D. Pa., 1950) 95 F. Supp. 66, such definition was held to apply in actions brought against corporate defendants under the Clayton Act (Title 15, U. S. C. § 22).

The confusion and uncertainty in the lower courts regarding corporate venue under revised Title 28, U. S. C., shown by the above cases is strikingly demonstrated in the

Southern District of California, Central Division. In that court, the judges themselves disagree, with the result that whether venue against a corporate defendant in patent infringement actions is proper depends solely upon the particular judge to whom the case is assigned.

The importance of the question involved, and the hopeless confusion and uncertainty in the lower courts, make it clear that an early and definitive ruling on the point by the Supreme Court is essential to effectuate the manifest purpose of revised Title 28, U. S. C. in simplifying and making uniform Federal procedure. The situation here presented is strikingly similar to that before this Court in three recent cases. Thus, in *Ex parte Collett,* (1949), 337 U. S. 55, and *Kilpatrick v. Texas & P. R. Co.,* (1949), 337 U. S. 75, the question was presented as to whether revised Title 28, U. S. C. § 1404 (a) empowered a district court to transfer for convenience an action brought under the Federal Employers' Liability Act, Title 45, U. S. C. §§ 51-59. This Court assigned the cases for hearing on a motion for leave to file petitions for writs of mandamus and prohibition directed to the district court in the *Collett* case, and a petition for a writ of mandamus or certiorari directed to the district court in the *Kilpatrick* case. In the *Collett* case, the Court stated that its reason for assigning the case for hearing was the importance of the question in the administration of justice, noting the conflicting decisions in the district courts, 337 U. S. at 57. Similarly, in *United States v. National City Lines, Inc.,* (1949), 337 U. S. 78, a district court had transferred an antitrust suit under revised Title 28, U. S. C. § 1404 (a), and the question was presented as to whether revised Title 28, U. S. C. empowered a district court to make such a transfer. This Court assigned for hearing a motion by the plaintiff for leave to file a petition for a writ of certiorari directed to the district court.

The instant petition raises the question of whether revised Title 28, U. S. C. empowers a district court to trans-

fer a patent infringement action against a corporate defendant doing business within the district on the ground that venue is improperly laid. The question is of great importance in the administration of justice, and the lower courts are in hopeless conflict. Under the *Collett, Kilpatrick* and *National City Lines* cases, Petitioners submit that this Court should rule directly on this question.

CONCLUSION.

For the foregoing reasons this petition for certiorari should be granted.

Respectfully submitted,

LEONARD S. LYON,
THOMAS COOCH,
LEONARD S. LYON, JR.,
RICHARD E. LYON,
Counsel for Petitioners.

March 12, 1952.

APPENDIX A.

[Portions of revised Title 28, U. S. Code]

§ 1254. Courts of appeals; certiorari; appeal, certified questions.

Cases in the courts of appeals may be reviewed by the Supreme Court by the following methods:

(1) By writ of certiorari granted upon the petition of any party to any civil or criminal case, before or after rendition of judgment or decree;

• • •

§ 1391. Venue generally.

• • •

(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

• • •

§ 1400. Patents and copyrights.

• • •

(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.

APPENDIX B.

IN THE
UNITED STATES COURT OF APPEALS
FOR THE SEVENTH CIRCUIT

OCTOBER TERM, 1951, JANUARY SESSION, 1952

No. 10512

C-O-TWO FIRE EQUIPMENT COMPANY, *Petitioner,*

v.

JOHN P. BARNES, JUDGE OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS, *Respondent.*

Petition for Writ of Mandamus.

FEBRUARY 1, 1952

Before MAJOR, *Chief Judge,* LINDLEY and SWAIM, *Circuit Judges.*

MAJOR, *Chief Judge.* The question for decision is whether the definition of corporate "residence" for venue purposes contained in Title 28 U. S. C. A. Sec. 1391 (c) applies to Sec. 1400 (b) of the same Title, relating to venue in actions for patent infringement.

On June 26, 1951, Cardox Corporation, an Illinois corporation, instituted in the Northern District of Illinois, Eastern Division, its action against C-O-Two Fire Equipment Company, as defendant, charging patent infringement. The complaint alleged that the action arose under the patent laws of the United States, and venue was predicated upon the allegation, "defendant * * * is a corporation organized and existing under the laws of the State of Delaware, and is licensed to do business in the State of Illinois, is a resi-

dent of and has a regular and established place of business in and is doing business in the Northern District of Illinois, Eastern Division, with offices at 444 North Lake Shore Drive, Chicago, Illinois." It will be noted that there was no allegation that "the defendant has committed acts of infringement" in the District where the suit was instituted. Predicated upon this ground the defendant, on July 12, 1951, filed its motion for a dismissal of the action because of a failure to allege proper venue. Defendant also suggested to the court that instead of dismissing the action it would be appropriate to transfer it, under the discretionary provision of Sec. 1406 (a) of Title 28 U. S. C. A.

The defendant in support of its motion submitted affidavits of its president and secretary, admitting that defendant was licensed to do business and had a place of business within the Northern District of Illinois but stating that such business as was transacted there was not related to the alleged infringing acts and that defendant had committed no alleged infringing acts within the Northern District of Illinois, and admitting that it had committed acts of the kind complained of in the State of New Jersey, where the defendant maintained its principal office and manufacturing plant, kept all of its books and records relating to the alleged infringing activities and where its officers, engineers and employees who were acquainted with the alleged infringing activities were located.

On October 15, 1951, the District Court, Honorable John P. Barnes presiding, respondent herein, entered an order denying defendant's motion to dismiss or in the alternative to transfer the cause, and ordered the defendant to answer the complaint within thirty days.

On October 29, 1951, the defendant (hereinafter referred to as the petitioner) filed in this court its petition for writ of mandamus to the Honorable John P. Barnes, directing that he vacate and set aside the order entered October 15, 1951, denying the motion to dismiss or in the alternative

to transfer the case. To this petition an answer was filed by respondent on November 14, 1951, disclaiming interest in the cause or the issues thereof other than such interest as any other citizen of the United States should have. On November 27, 1951, Cardox Corporation, plaintiff in the suit below, was, upon its petition, given leave to intervene in this court and to contest the issuance of the writ sought by petitioner. (Cardox Corporation will be hereinafter referred to as the intervenor.)

In the beginning, we conclude that this court has the power to issue the writ of mandamus and, if petitioner is correct in its position, that it is an appropriate case for the exercise of such power. *Ford Motor Co. et al. v. Ryan*, 182 F. 2d 329, 330; *Paramount Pictures, Inc. et al. v. Rodney*, 186 F. 2d 111, 116. *Cf. Ex Parte Collett*, 337 U. S. 55. We need not labor this point, however, because intervenor in its brief raises no question in this respect and in oral argument conceded both the power of the court and the appropriateness of the remedy.

The question for decision stated in the beginning, in reality, simmers down to the inquiry as to whether venue in a patent infringement suit can properly be laid in a District other than that of its incorporation, even though it has a regular and established place of business in such District, in the absence of an allegation that it has committed acts of infringement therein.

Petitioner in support of its position contends that Sec. 1391 (c), a general venue provision, has no application to Sec. 1400 (b), a special venue provision relating solely to actions for patent infringement. Petitioner cites numerous court decisions which assertedly support its position and places much reliance upon the legislative history, including the Reviser's Notes, as demonstrating a clear intention on the part of Congress to make no change in the law of venue in suits for patent infringement as it existed prior to the revision of the Judicial Code.

The intervenor contends that Secs. 1400 (b) and 1391 (c) are complementary and that the definition of "residence" contained in the latter section must be given effect and applied to the former. Intervenor likewise cites court decisions asserted to support its contention. It, however, attaches little if any weight to the legislative history or the Reviser's Notes which accompany the two sections, on the premise that the phraseology found in the two sections, and particularly Sec. 1391 (c), is so clear and unambiguous as not to permit of any interpretation or construction. Intervenor's argument goes to the extent of asserting that the adoption of petitioner's position would require judicial legislation by adding to the end of Sec. 1391 (c) the phrase, "except in patent litigation."

Much is said by the parties in their briefs relative to the interpretation or construction which should be given to the two sections in controversy but, in our view, it is more accurate to state that the issue depends upon whether the two sections must be read together or, more pointedly, whether Sec. 1391 (c) is applicable to Sec. 1400 (b). The numerous sections of Chapter 87 of the Judicial Code prescribe the venue of District Courts under a variety of circumstances. Sec. 1391 (c), entitled "Venue generally," provides:

> "A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes."

Sec. 1400 (b), entitled "Patents and copyrights," provides:

> "Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business."

Thus, the former section is general and applies only to a corporation, while the latter is special, relating to a specific subject matter and evidently is applicable to individuals as well as corporations. We agree with the intervenor's contention that the phraseology of Sec. 1391 (c) is clear, plain and unambiguous and is not susceptible to interpretation or construction. But even so, the point is immaterial. The question is whether Sec. 1391 (c) has any application to Sec. 1400 (b), or more pointedly, whether the latter section is dependent for its force and vitality upon the former. And the acceptance of petitioner's contention requires no interpretation or construction of Sec. 1391 (c) other than that it be held inapplicable to an action for patent infringement. Sec. 1391 (c) would remain just as it is written, to be given application in an appropriate situation.

On the other hand, intervenor's contention, if accepted, would result in partial if not complete emasculation of Sec. 1400 (b) as it relates to a corporate defendant in actions for patent infringement. This incongruous result is highlighted by a recasting of the section so that it will read in accordance with such contention. The following is the result (the italicized words we insert):

> "Any civil action *against a corporation* for patent infringement may be brought in the judicial district where the defendant resides, *to wit in the judicial district in which it is incorporated or licensed to do business or is doing business,* or where the defendant has committed acts of infringement and has a regular and established place of business."

The two alternatives for venue in Sec. 1400 (b) stem from old Sec. 109 (Judicial Code Sec. 48), with only slight changes in phraseology. As to this predecessor provision, it has been held that it conferred upon defendants in patent cases a privilege in respect to the places in which suits

could be miantained against them. *General Electric Co. et al. v. Marvel Rare Metals Co. et al.*, 287 U. S. 430, 435. See also *Stonite Products Co. v. Melvin Lloyd Co. et al.*, 315 U. S. 561. No purpose is discernible on the part of Congress, in its revision, to eliminate or minimize this privilege or the protection which it afforded. And certainly if there had been such a purpose, Congress would not have attempted to accomplish it in such an awkward and indirect fashion.

A reading of the provision recast conformable to intervenor's contention makes it apparent, so we think, that the first alternative as a venue limitation becomes abortive and the second meaningless if not inconsistent. What purpose could be served in limiting venue to the District where the defendant resides if that includes not only the District of its incorporation but also a District either in which it is licensed to do business or is doing business? And if a corporation can be sued where it "is doing business," what possible purpose can be served by the second venue alternative, "where the defendant has committed acts of infringement and has a regular and established place of business"? Intervenor's contention would permit a suit to be brought in the District where the defendant "is doing business" but not in the District where it has a "regular and established place of business" in the absence of a showing that the defendant "has committed acts of infringement" in such District. Such an anomalous theory, if embraced, would make a dead letter out of the second alternative in the patent venue section. The plaintiff in determining proper venue for his suit against a corporation for patent infringement would hardly need to read Sec. 1400 (b). Why bother with an allegation that the "defendant has committed acts of infringement and has a regular and established place of business" in the District, which it later would be required to prove, when an allegation that the defendant is "doing business" in the District would suffice?

And it would be futile for the defendant to rely upon the special venue provision in a patent infringement suit because the privilege or protection which that section was designed to afford would no longer exist. In fact, it appears to us that the theory which intervenor would have us embrace would make the patent venue section more inclusive than the general corporate venue section.

In the Stonite case (315 U. S. 561), the court held that a general venue statute must give way to Sec. 48, the special statute relating to venue in patent infringement suits. The court reasoned that the special statute was not affected by general provisions, that the former was adopted "to define the exact jurisdiction of the federal courts in actions to enforce patent rights," and that such purpose indicated that Congress did not intend "to dovetail with the general provisions relating to the venue of civil suits, but rather that it alone should control venue in patent infringement proceedings." True, this decision was prior to the adoption of the present Code and is, therefore, not decisive of the instant question, but the rationale which the court employed is, in our opinion, pertinent to the present situation. Especially is this so when no purpose to change the existing law is evidenced by a reading of the two sections under consideration or by the Reviser's Notes shown in connection therewith. And it doesn't seem likely that Congress would have made such an important departure from the law as it then existed relative to venue in patent infringement cases without so stating.

Intervenor's argument that the residence of a corporation was not defined in Sec. 1400 (b) and that resort must, therefore, be had to Sec. 1391 (c) at least has the virtue of some plausibility; however, we think the argument must be rejected on the basis that the latter section is without application. Moreover, as heretofore stated, the Reviser's Notes unmistakably disclose that the only change made in the patent venue section as it then existed was one of

phraseology and not of substance. In fact, the only change made pertinent to the question under discussion, as stated in the Reviser's Notes (following Sec. 1400), is as follows:

> "Words in subsection (b) 'where the defendant resides' were substituted for 'of which the defendant is an inhabitant.' A corresponding change was made in subsection (a). Words 'inhabitant' and 'resident,' as respects venue, are synonymous."

We think there is disclosed an unmistakable intention as well as purpose neither to enlarge nor diminish the venue in patent infringement suits but to leave it as it then existed, and that means, of course, that under the first alternative of the section a defendant corporation can be sued only in the place of its incorporation.

Intervenor places much stress upon *Ex Parte Collett*, 337 U. S. 55, and asserts that practically every argument advanced by the petitioner here was made by the petitioner in that case and rejected by the Supreme Court. We are of the view that the reasoning of the Collett case is inapplicable here, and in any event not controlling. There, the court held that Sec. 1404 (a), relating to the right to transfer, was applicable to Sec. 6 of the Federal Employers' Liability Act, which determined venue in actions thereunder. Relative thereto, the court stated (page 60):

> "Section 6 of the Liability Act defines the proper forum; § 1404 (a) of the Code deals with the right to transfer an action properly brought. The two sections deal with two separate and distinct problems. Section 1404 (a) does not limit or otherwise modify any right granted in § 6 of the Liability Act or elsewhere to bring suit in a particular district. An action may still be brought in any court, state or federal, in which it might have been brought previously."

We think it apparent that the situation before the court in that case was quite different from that of the instant case. There, the court was dealing with two sections, one which bestowed venue and the other which provided for transfer when venue was properly laid, and the latter did not "limit or otherwise modify any right granted in" the former. Thus the court gave effect to both provisions because they were not inconsistent and neither provision abridged any right contained in the other. In contrast, the two sections in the instant matter both relate to venue and they cannot be applied, as intervenor would have us do, without making one section dependent upon the other and, as already shown, this would result for all practical purposes in the emasculation of Sec. 1400 (b).

The instant question has been before the District Courts in a number of cases, some precisely in point and others persuasive because of their close analogy. The weight of such decisions militates strongly against the intervenor's position. One of the best reasoned opinions is that of District Judge Harrison in *Gulf Research & Development Co. et al. v. Schlumberger Well Surveying Corp.*, 92 F. Supp. 17. Among other things he stated (page 19), "The Reviser's Notes make it evident that today, 1400 (b) stands in the same situation as did Section 109 at the time of the Stonite opinion in 1942 and that the Stonite case is just as much in point now as then," and "I hold that Section 1391 (c) is not complementary to Section 1400 (b); that the word 'resides' in Section 1400 (b) means the same as the word 'inhabitant' in the former Section 109, and that the interpretation placed upon said former Section 109 applies to its revision as set forth in the revised Section 1400 (b)." This opinion is also interesting from the fact that Judge Harrison reached a result opposite to that reached by two of his associates on the same court. *Farr Co. v. Gratiot et al.*, 92 F. Supp. 320, and *Radio Corp. of America v. Paramount Pictures, Inc.* (P. C. S. D. Cal. 1950), an un-

reported decision. The opinion in the Farr case was written by District Judge Hall. The opinions in these two cases, that is, in Gulf and Farr, written by Judges in the same District, contain about all that can be said on the opposing sides of the controversy. We think Judge Harrison reached the right result.

In *Nachtman v. Jones & Laughlin Steel Corp.*, 90 F. Supp. 739, the court held that Sec. 1400 (b) was not enlarged by Sec. 1391 (c) and that to do so would completely nullify "the specific venue statute relative to patent infringement suits."

In *Fischer v. Karl et al.*, 84 F. Supp. 53, 55 the court stated:

> "In a word, to grant this motion would be to render 28 U. S. C. A. § 1400 (b) completely meaningless. If Congress intended that the venue provisions of 28 U. S. C. A. § 1392 (a) here invoked were applicable to patent suits, it is impossible to conceive why it was found necessary to enact new 28 U. S. C. A. § 1400 (b), which, at least in the case at bar, is a limitation of venue specifically applicable to the cause."

We cite without further comment the other cases which support in one form or another petitioner's position. *Ackerman v. Hook et al.*, 183 F. 2d 11; *Arkay Infants Wear, Inc. v. Kline's, Inc. et al.*, 85 F. Supp. 98; *Rava v. Westinghouse Electric Corp.*, 90 F. Supp. 707; *Curtis et al. v. Madovoy et al.*, 84 F. Supp. 637; *Aetna Ball & Roller Bearing Co. v. The Federal Bearing Co., Inc.*, decided by Judge Igoe in the Northern District of Illinois (not reported).

Holding as we do that venue was improperly laid, the relief sought by the petitioner must be granted. Title 28 U. S. C. A. Sec. 1406 (a) undoubtedly is applicable to the situation. It provides:

> "The district court of a district in which is filed a case laying venue in the wrong division or district

shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought."

Thus, two alternatives are provided, (1) a dismissal of the case or (2) if it be in the interest of justice, a transfer to the appropriate District. Respondent, therefore, is directed to give effect to one or the other of such alternatives, without prejudice to his right to decide which it shall be.

Lindley, C. J. dissenting—

The problem here seems to me a simple one. Sec. 1400 (b) of Title 28 U. S. C. provides, in its very first clause, that an action "for patent infringement may be brought in the judicial district where the defendant resides." Sec. 1391 (c) of Title 28 U. S. C. prescribes that the district in which a corporation is incorporated or licensed to do business or is doing business "shall be regarded as the residence of such corporation for venue purposes." The intervenor, plaintiff below, averred in its complaint that defendant, petitioner here, is a corporation licensed to do business in Illinois and is doing business within the Northern District of Illinois, thus bringing defendant within the class of corporate defendants whose residence is, by virtue of Sec. 1391 (c), within the Northern District of Illinois. It seems to me that the District Court could not have done other than it did without doing violence to the clear provisions of the two sections. Inasmuch as defendant is a resident of the Northern District of Illinois, by virtue of the express provisions of Sec. 1391 (c), plaintiff had a right, under Sec. 1400 (b), to bring the suit in that District. To hold otherwise seems to me to require that we interpolate at the end of Sec. 1391 (c) the phrase "except in patent infringement cases." To do so is beyond our function. I would deny the petition.

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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1951

No. [redacted] 24

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO.,

Petitioners,

v.

THE HONORABLE PAUL LEAHY, UNITED STATES DISTRICT JUDGE,

and

SCHLUMBERGER WELL SURVEYING CORPORATION,

Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

WORTHINGTON CAMPBELL,
E. ENNALLS BERL,
MARK N. DONOHUE,
Counsel for Respondents.

APPEAL PRINTING CO., INC., 130 CEDAR STREET, NEW YORK, WO 4-3033

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IN THE

Supreme Court of the United States

OCTOBER TERM, A. D. 1951

No. 645

GULF RESEARCH & DEVELOPMENT COMPANY, WELEX JET SERVICES, INC., and BYRON JACKSON CO.,
Petitioners,

v.

THE HONORABLE PAUL LEAHY, UNITED STATES DISTRICT JUDGE,

and

SCHLUMBERGER WELL SURVEYING CORPORATION,
Respondents.

BRIEF FOR RESPONDENTS IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

Opinions Below

The opinion of the Court of Appeals for the Third Circuit (R. 41) is reported at 193 F. (2d) 302. The opinion of the District Court (R. 21) from which these proceedings arise is reported under the name of *Gulf et al.* v. *Schlumberger,* at 98 F. Supp. 198.

Jurisdiction

The jurisdiction of this Court is invoked under Title 28 U.S.C. §1254(1).

Questions Presented

On the basis of the proceedings below, the respondents submit that the questions presented here are:

Where a patent infringement action, commenced in one district, has been transferred to a different district by an interlocutory order under the provisions of Title 28 U.S.C. §1406(a), which by statute is reviewable only on appeal from final judgment, is it proper for the Court of Appeals for the district court of the transferee district to hold that the extraordinary remedy of a writ of mandamus is inappropriate

1. to compel the district court of the transferee district to reexamine the previously adjudicated issue (of venue) on a motion to retransfer the action where such judge has held that the considerations for the orderly administration of justice compelled him not to do so, or, in the alternative,

2. to review in advance of trial, the venue issue as adjudicated by the district court for the transferor district, where the statute permits appellate review of interlocutory orders only on appeal from final judgment?

Statement of the Case

This is a petition for a writ of certiorari to review an order of the Court of Appeals for the Third Circuit denying a petition for a writ of mandamus directed to respondent Hon. Paul Leahy, Chief Judge of the United States District Court for the District of Delaware. Mandamus was sought in the Court below to review an interlocutory order entered by Judge Leahy in an action entitled *Gulf Research & Development Company, Welex Jet Services,*

Inc. and Byron Jackson Co. v. *Schlumberger Well Surveying Corporation*,[1] Civil Action No. 1342 in the United States District Court for the District of Delaware.

The statutes involved in this case are Title 28 U.S.C. §1400(b), §1391(c) and §1406(a). Title 28 U.S.C. §1404(a) is referred to extensively in the argument. These four sections of the statute are printed in Appendix A (*infra* p. 21).

Gulf et al. v. *Schlumberger* is an ordinary civil action for patent infringement, in which petitioners are plaintiffs and respondent Schlumberger Well Surveying Corporation[2] is defendant. The complaint (R. 7) was filed on March 20, 1950, in the United States District Court for the Southern District of California, Central Division. On April 10, 1950, Schlumberger moved under the provisions of Title 28 U.S.C. §1406(a) to dismiss the complaint because venue as laid in the California District Court did not satisfy the venue requirements of Title 28 U.S.C. §1400(b) for patent infringement actions (R. 9). Judge Benjamin Harrison of the United States District Court for the Southern District of California, Central Division, heard the motion and ruled that venue was improper, *Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co.* v. *Schlumberger Well Surveying Corporation* (D.C. S.D. Cal., C.D., 1950), 92 F. Supp. 16 (R. 11). Instead of dismissing the complaint, however, he transferred the case, as he was authorized so to do by Title 28 U.S.C. §1406(a), to the District of Delaware where Schlumberger was incorporated and where venue was and is proper (R. 32).

Before the transfer order was executed, petitioners applied to and obtained leave of the Court of Appeals for

1. Hereinafter referred to as *Gulf et al.* v. *Schlumberger*.
2. Hereinafter referred to as Schlumberger.

the Ninth Circuit to file a petition for a writ of mandamus or prohibition directed to Judge Harrison to compel him to vacate and set aside this order on the ground that his ruling on venue was in error. This petition was denied (R. 16) on the ground that petitioners alleged nothing more than an erroneous application of law which would be reviewable on appeal to the Court of Appeals for the Third Circuit, after final judgment; hence, the case was not an appropriate one for mandamus. *Gulf Research & Development Company, Welex Jet Services, Inc., and Byron Jackson Co.* v. *Harrison* (C.A. 9, 1950), 185 F. (2d) 457.

No effort was made to obtain a rehearing by the Court of Appeals for the Ninth Circuit or to have its order denying the petition for writ of mandamus or prohibition reviewed by this Court.

In due course, the files of the *Gulf et al.* v. *Schlumberger* case were transferred to and the action docketed in the Delaware District Court on January 2, 1951. On January 3, 1951, petitioners moved (R. 20) the Delaware District Court to retransfer the action back to the California District Court on the grounds that venue in the Southern District of California was proper and the transfer to the Delaware District Court was improper and contrary to law. Judge Leahy of the Delaware District Court denied this motion without passing on the merits of the venue issue. He held that while he had the power to review Judge Harrison's determination of the venue issue, the considerations which give rise to the doctrine of the law of the case, the principles of the rule of comity and considerations for the orderly functioning of the judicial process compelled the conclusion that he should not reexamine this previously litigated and adjudicated issue, *Gulf Research & Development Company, Welex Jet Services, Inc.,*

and Byron Jackson Co. v. *Schlumberger Well Surveying Corporation* (D.C. D. Del., 1951), 98 F. Supp. 198 (Opinion R. 16, Order R. 27).

Petitioners thereupon filed in the Court of Appeals for the Third Circuit their petition for a writ of mandamus to compel Judge Leahy to set aside his order denying the motion to retransfer the case and to consider petitioners' motion on its merits, or, in the alternative, to direct Judge Leahy to grant the motion (R. 1).

The Court of Appeals denied this petition. It held (R. 41) that the case presented by petitioners was not an appropriate one for the extraordinary remedy of mandamus. It pointed out that petitioners' assertion of error in Judge Harrison's determination of the venue issue which formed the basis of petitioner's motion in the Delaware District Court to retransfer the case was in the nature of a venue objection which petitioners will be entitled to assert on appeal after final judgment. It concluded that, since such an appeal will be just as adequate as in any other case where an objection to venue is overruled by the trial court, there were no extraordinary circumstances in the petition before it which justified resort to the extraordinary remedy of mandamus, *Gulf Research & Development Company, Welex Jet Services, Inc. and Byron Jackson Co.* v. *Leahy* (C.A. 3, 1951), 193 F. (2d) 302. The present petition is directed to the order of the Court of Appeals for the Third Circuit (R. 48) denying that petition for a writ of mandamus.

Venue is the only issue thus far litigated in the *Gulf et al.* v. *Schlumberger* case. It was raised on April 10, 1950, when Schlumberger filed its motion (R. 9) under the provisions of Title 28 U.S.C. §1406(a) to dismiss the complaint on the ground that the venue as laid in the Southern District of California did not conform to the venue require-

ments for patent infringement actions as specified in Title 28 U.S.C. §1400(b). This motion was heard and decided by Judge Harrison of the Southern California District Court. He held (R. 11) that venue in patent infringement actions is controlled exclusively by Title 28 U.S.C. §1400(b); that under the rationale of the decision of this Court in *Stonite Co.* v. *Melvin Lloyd Co.* (1942), 315 U. S. 561, the general venue provisions of Title 28 U.S.C. §1391, including the provisions of subsection (c) thereof, were not complementary to Section 1400(b); that the revised Judicial Code did not enlarge the venue of patent infringement actions against corporate defendants; that such action would lie against a corporate defendant only in the district in which such defendant was incorporated, or the district in which such defendant had committed acts of infringement and had a regular and established place of business; that Schlumberger, being a corporation of the State of Delaware, is a resident of the District of Delaware within the meaning of Title 28 U.S.C. §1400(b); that while Schlumberger was doing business in the District of California, it had not committed acts of infringement in that District[3]; and that the Southern District of California satisfied neither of the alternative requirements for venue in patent infringement actions as specified in Title 28 U.S.C. §1400 (b).

Instead of dismissing the complaint, Judge Harrison adopted the alternative available to him under the provisions of Title 28 U.S.C. §1406(a), and ordered the case transferred to the District of Delaware, the district in which Schlumberger was incorporated and where, admittedly, venue is proper (R. 32). This order was entered

3. The complaint does not allege that Schlumberger has committed acts of infringement in the Southern District of California, and in all of the Courts below petitioners conceded that no such acts had been committed in that district.

August 19, 1950. Since that date the entire effort of petitioners here has been to have Judge Harrison's ruling on venue reviewed in advance of trial.

Summary of Argument

The questions presented by the petition in this case relate to the proper use of the writ of mandamus in place of an appeal for the review of interlocutory orders by Courts of Appeals, and more specifically, to such orders determining the venue of patent infringement actions against corporate defendants under the revised Judicial Code. Neither question presents a case appropriate for review by this Court on writ of certiorari. The decision of the Court of Appeals for the Third Circuit on the mandamus question was in accord with and required by the applicable decisions of this Court. The venue question is not ripe for consideration here. In the circumstances, review of the decision of the Court below on a writ of certiorari would merely afford petitioners a further hearing on questions previously adjudicated adversely to them by the Court of Appeals for the Ninth Circuit as well as by the Court below. This would be contrary to the stated policy of this Court. *Magnum Co.* v. *Coty* (1922), 262 U. S. 159, 163; *Layne & Bowler Corporation* v. *Western Well Works, Inc. et al.* (1923), 261 U. S. 387, 393; *Wilkerson* v. *McCarthy* (1949), 336 U. S. 53, 67.

Argument

The Court of Appeals for the Third Circuit Properly Denied the Petition for a Writ of Mandamus.

The sole purpose of the petition for a writ of mandamus in the Court below was to have Judge Harrison's ruling

on venue in the *Gulf et al.* v. *Schlumberger* case reviewed in advance of trial. While the route followed was circuitous—the petition in terms asked that a writ be directed to respondent, Judge Leahy, to set aside his order denying petitioners' motion in the Delaware District Court which, in effect, sought a review of Judge Harrison's ruling by Judge Leahy—there can be no doubt as to the real purpose of the proceedings in the Court below.

Judge Harrison's ruling on the venue question in issue here is embodied in his order under Title 28 U.S.C. §1406 (a) transferring the case to the Delaware district (R. 32). That order and the order of respondent, Judge Leahy, denying petitioners' motion in the Delaware District Court to retransfer the case to California (R. 27) are both admittedly interlocutory (Petition, p. 7). By statute, each is reviewable on appeal, but only after final judgment, Title 28 U.S.C. §1291. Each order was clearly within the judicial powers of the respective Judges. Judge Harrison had the power to rule on the venue issue in the case as filed in the District Court for the Southern District of California, and to transfer the case to the Delaware District upon his finding that venue in the California District was improper, Title 28 U.S.C. §1406(a). Judge Leahy had the power to deny petitioners' motion to retransfer the case. The petition below alleged merely error in the exercise of these conceded judicial powers. Under the applicable decisions of this Court, mandamus was not an appropriate remedy on the case presented to the Court below.

This Court has held on numerous occasions that mandamus is an extraordinary remedy, reserved for really extraordinary cases. *Ex Parte Fahey* (1947), 332 U. S. 258, 260. It may "not be availed of to correct a mere error in the exercise of conceded judicial power", *De*

Beers Mines v. *United States* (1945), 325 U. S. 212, 217. It may not be used as a substitute for an authorized appeal. *Ex Parte Fahey, supra; Roche* v. *Evaporated Milk Assn.* (1942), 319 U. S. 21. As this Court said in *U. S. Alkali Assn.* v. *United States* (1945), 325 U. S. 196, 203, in language that seems to be conclusive with respect to the decision of the Court below:

> "• • • In such cases appellate courts are reluctant to interfere with decisions of lower courts, even on jurisdictional questions, which they are competent to decide and which are reviewable in the regular course of appeal. In re Tampa Suburban R. Co., supra; Ex parte Harding, 219 U. S. 363, 369; Roche *v.* Evaporated Milk Assn., supra, 30-31, and cases cited; cf. Stoll *v.* Gottlieb, 305 U. S. 165; Treinies *v.* Sunshine Mining Co., 308 U. S. 66. The writs may not be used as a substitute for an authorized appeal; and where, as here, the statutory scheme permits appellate review of interlocutory orders only on appeal from the final judgment, review by certiorari or other extraordinary writ is not permissible in the face of the plain indication of the legislative purpose to avoid piecemeal reviews. • • •"

It is only in cases where the appeal provided by statute is clearly inadequate that resort to the remedy of mandamus is proper, *Ex Parte Fahey, supra.* Inadequacy of the remedy provided by appeal is not shown by inconvenience or hardship on litigants required to await the statutory appeal, *Roche* v. *Evaporated Milk Assn., supra; U. S. Alkali Assn.* v. *United States, supra.* On this issue *Ex Parte Park Square Automobile Station* (1917), 244 U. S. 412, is particularly apt. That case involved a petition to this Court for a writ of mandamus to set aside an order of the Northern New York District Court denying a motion to remand to the New Hampshire District Court a case

removed from the New Hampshire State Courts to the District Court for the Northern District of New York. In spite of what appeared to be a clearly erroneous construction of the removal statute by the New York District Court in asserting jurisdiction, and in spite of the inconvenience which would result to petitioners in awaiting an appeal from final judgment, the Court held that (at p. 416):

> "* * * however grave may be the inconvenience arising in this particular case from the construction which the court gave to the statute and upon which it based its assertion of jurisdiction, greater inconvenience in many other cases would necessarily come from now departing from the established rule and reviewing the action of the court by resort to a writ of mandamus instead of leaving the correction of the error to the orderly methods of review established by law."

The principles established by the applicable decisions of this Court, of which the cases cited above are illustrative, are clear and unqualified. Adherence to these principles required the Court below to hold mandamus inappropriate on the petition presented to it (Petition, pp. 6-10).

Notwithstanding adherence by the Court below to the applicable decisions of this Court, petitioners assert that the writ should be granted here because of an alleged conflict of decisions between Courts of Appeals of the different circuits on the mandamus question.

In this regard, there are, in all, three decisions of Courts of Appeals involving petitions for writs of mandamus to review transfer orders under Title 28 U.S.C. §1406(a); namely, the decision of the Court of Appeals for the Third Circuit in *Gulf Research & Development Company et al.* v. *Leahy, supra,* involved in these proceedings, the decision of the Court of Appeals for the Ninth Circuit in *Gulf Re-*

search & Development Company et al. v. *Harrison* (C.A. 9, 1950), 185 F. (2d) 457, and the decision of the Court of Appeals for the Seventh Circuit in *C-O-Two Fire Equipment Co.* v. *Barnes* (C.A. 7, 1952), —— F. (2d) ——. (See Petition Appendix B, p. 16.)

The *Gulf Research & Development Company et al.* v. *Harrison* case in the Ninth Circuit and the *Gulf Research & Development Company et al.* v. *Leahy* case in the Third Circuit (in issue here) each involved an attempt by petitioners here to review Judge Harrison's transfer order in the *Gulf et al.* v. *Schlumberger* case. The decisions of the Court below and the Court of Appeals for the Ninth Circuit in these two cases are in full accord. In each instance the Court of Appeals held that the case was not an appropriate one for the issuance of a writ of mandamus because petitioners merely alleged an erroneous application of law for which the statutes provided an adequate remedy by way of appeal after final judgment (R. 16, 41).

The *C-O-Two Fire Equipment Co.* v. *Barnes* case arose from a patent infringement action entitled *Cardox Corporation* v. *C-O-Two Fire Equipment Co.*, C.A. No. 51 C 1007, in the United States District Court for the Northern District of Illinois. The defendant, C-O-Two Fire Equipment Co., brought a motion under Title 28 U.S.C. §1406(a) to dismiss the complaint, or, in the alternative, to transfer the case to another district, on the ground that venue as laid in the Illinois District Court was improper. Judge Barnes denied the motion. (See Transcript of Proceedings, *Cardox Corporation* v. *C-O-Two Fire Equipment Co.*, printed in Appendix B, *infra* p. 22.) Defendant filed its petition in the Court of Appeals for the Seventh Circuit for a writ of mandamus directed to Judge Barnes to set aside his order denying defendant's motion and to either dismiss the complaint or to transfer the case as requested by the motion.

The Court of Appeals for the Seventh Circuit entertained the petition and granted the writ. To the extent therefore that an order under Title 28 U.S.C. §1406(a) was reviewed by mandamus in the *C-O-Two* case and was denied review by mandamus in the Court below, the two decisions are in "conflict". It does not follow, however, that there is such a "real and embarrassing conflict of opinion and authority" between the circuits as would warrant review by this Court. *Layne & Bowler Corporation* v. *Western Well Works, Inc., et al., supra.*

On the contrary, it appears from the decision in *C-O-Two Fire Equipment Co.* v. *Barnes* that the Court concluded that mandamus was appropriate there merely on the basis of its acceptance of petitioner's assertion and intervenor's concession that the remedy was appropriate. On this issue the Court of Appeals for the Seventh Circuit merely said:

> "In the beginning, we conclude that this court has the power to issue the writ of mandamus and, if petitioner is correct in its position, that it is an appropriate case for the exercise of such power. *Ford Motor Co. et al.* v. *Ryan*, 182 F. 2d 329, 330; *Paramount Pictures, Inc. et al.* v. *Rodney*, 186 F. 2d 111, 116. *Cf. Ex Parte Collett*, 337 U. S. 55. We need not labor this point, however, because intervenor in its brief raises no question in this respect and in oral argument conceded both the power of the court and the appropriateness of the remedy." (Appendix B, Petition p. 18)

The principles controlling the proper use of mandamus by Courts of Appeals which were considered and held controlling in the Court below were not referred to by the Court of Appeals for the Seventh Circuit. In these circumstances, respondents submit that the decision in *C-O-Two Fire Equipment Co.* v. *Barnes* does not afford a reason for granting the writ in the present case.

There is the further consideration that the two cases (*Gulf Research & Development Company et al.* v. *Leahy* and *C-O-Two Fire Equipment Co.* v. *Barnes*) are clearly distinguishable on their facts. In the *Gulf Research & Development Company et al.* v. *Leahy* case, the order in issue transferred the *Gulf et al.* v. *Schlumberger* case to a court which had jurisdiction and in which the action admittedly could have been brought in the first instance. In *C-O-Two Fire Equipment Co.* v. *Barnes,* the order reviewed retained the case in a court in which, if petitioner there was correct in its position, the venue of the action was improperly laid in the first instance. This is analogous to the situation which obtained in the cases of *Foster-Milburn Co.* v. *Knight* (C.A. 2, 1950), 181 F. (2d) 949, *Shapiro* v. *Bonanza Hotel Co., Inc.* (C.A. 9, 1950), 185 F. (2d) 777, and *Fettig Canning Co.* v. *Steckler* (C.A. 7, 1951), 188 F. (2d) 715, involving transfer orders under Title 28 U.S.C. §1404(a) (see Petition pp. 6-8). With respect to *Foster-Milburn Co.* v. *Knight, supra,* the Court of Appeals for the Ninth Circuit in *Gulf Research & Development Company et al.* v. *Harrison, supra,* footnote 7 (R. 19) said:

> "The alleged error is to be distinguished from that involved in Foster-Milburn Co. *v.* Knight, 2 Cir. 1950, 180 F. 2d 949. The order reviewed in that case purported to transfer the case to a court which would not have jurisdiction over the parties. The error was therefore not merely potentially reversible error on appeal, but would render void any final judgment ultimately obtained, and may be regarded as analogous to a refusal to exercise effectively jurisdiction properly invoked."

This language applies with equal force to *C-O-Two Fire Equipment Co.* v. *Barnes, supra, Shapiro* v. *Bonanza Hotel*

Co., Inc., supra, and *Fettig Canning Co.* v. *Steckler, supra*. Even the circumstances attending these cases did not warrant departure from the restriction governing the use of mandamus laid down in the applicable decisions of this Court. Cf. *Ex Parte Park Square Automobile Station, supra,* and the cases discussed above (this brief pp. 8-10).

The other cases relied upon by petitioners (Petition pp. 7-8) to support the contention that the decision of the Court below conflicts with decisions of other circuits on the same matter are: *Magnetic Engineering & Mfg. Co.* v. *Dings Mfg. Co.* (C.A. 2, 1950), 178 F. (2d) 866, *Ford Motor Co.* v. *Ryan* (C.A. 2, 1950), 182 F. (2d) 329, *Paramount Pictures* v. *Rodney* (C.A. 3, 1950), 186 F. (2d) 111, *Atlantic Coastline R. Co.* v. *Davis* (C.A. 5, 1950), 185 F. (2d) 766, and *Nicol* v. *Koscinski* (C.A. 6, 1951), 188 F. (2d) 537. These cases all have to do with situations where the district court transferred or refused to transfer an action under the provisions of Title 28 U.S.C. §1404(a) to suit the conveniences of the parties and witnesses as to the place of trial. Each involved an "issue which in its nature must be reviewed before trial, if at all", *Pennsylvania Turnpike Commission* v. *Welsh* (C.A. 3, 1951), 188 F. (2d) 447, 449, footnote 2. These cases are wholly irrelevant to the questions presented on this petition.

The Underlying Venue Question Does Not Afford a Basis for Review of the Decision of the Court of Appeals for the Third Circuit on Writ of Certiorari.

Petitioners advance as a further reason for granting the writ in this case, the contention that an early and definitive ruling by this Court on the underlying venue issue is essential to the orderly administration of justice (Petition, p. 10). This argument is without merit.

Judge Harrison's transfer order under Title 28 U.S.C. §1406(a), adjudicating the venue issue in the *Gulf et al.* v. *Schlumberger* case (R. 32), is admittedly interlocutory (Petition, p. 7). It is reviewable on appeal only after final judgment, Title 28 U.S.C. §1291. It has not been reviewed by any Court of Appeals. Two such Courts have refused to review it on petitions for writs of mandamus (the Court of Appeals for the Ninth Circuit (R. 16) and the Court of Appeals for the Third Circuit (R. 41)). Each petition was denied on the authority of the decisions of this Court in *Ex Parte Fahey, supra, U. S. Alkali Assn.* v. *United States, supra*, and *Roche* v. *Evaporated Milk Assn., supra.* The principles announced by this Court in the cases cited have for their basis the considerations for the orderly administration of justice, *Ex Parte Park Square Automobile Station, supra.* Inherent in these considerations is the rule that in "the usual case this Court will decline to issue a writ prior to review in the Circuit Court of Appeals" in cases where an appeal normally lies to such court, *U. S. Alkali Assn.* v. *United States, supra* (at p. 202).

These circumstances make it apparent that the venue question, apart from the mandamus questions, is not ripe for consideration here. If the Court of Appeals properly held that mandamus was inappropriate to review the venue question, certainly that same venue question cannot now be advanced as a reason for this Court to grant a writ of certiorari to review the decision of the Court of Appeals denying mandamus.

In this regard the cases of *Ex Parte Collett* (1949), 337 U. S. 55, *Kilpatrick* v. *Texas & Pacific R. Co.* (1949), 337 U. S. 75, and *United States* v. *National City Lines, Inc.* (1949), 337 U. S. 78, cited by petitioners (Petition, p. 13), are not in point. These cases did not involve petitions for

writs of certiorari to review decisions of Courts of Appeals holding mandamus inappropriate to review the questions in issue. Each of the cited cases came up on a petition for a writ of mandamus directly to this Court and involved entirely different considerations looking toward the orderly administration of justice. (Cf. *Ex Parte Park Square Automobile Station, supra.*)

In the present case, there is the further consideration that no conflict or confusion, such as was present in the *Collett* case, exists in the lower courts on the venue question which petitioners seek to have this Court review.

The Court of Appeals for the Seventh Circuit in the case of *C-O-Two Fire Equipment Co.* v. *Barnes, supra,* has settled the question for that circuit. Prior to that decision of the Court of Appeals for the Seventh Circuit, the District Court for the Northern District of Illinois had decided the question in three cases, namely, *Sponge Products* v. *Fuller Brush Company* (D.C. N.D. Ill., E.D., 1951), C.A. No. 51 C 382, unreported; *Aetna Ball & Roller Bearing Co.* v. *The Federal Bearing Company, Inc.* (D.C. N.D. Ill., E.D., 1950), C.A. No. 50 C 857, unreported; and *Cardox Corporation* v. *C-O-Two Fire Equipment Company,* C.A. No. 51 C 1007, unreported. The *Cardox* case, from which *C-O-Two Fire Equipment Co.* v. *Barnes* stemmed, and the *Sponge Products* v. *Fuller Brush Company* case, were both decided by Judge Barnes adversely to the decision of Judge Harrison in the *Gulf et al.* v. *Schlumberger* case. The decision in the *Aetna* case by Judge Igoe was in accord with Judge Harrison's ruling. This conflict, of course, has been resolved by the decision in the *C-O-Two Fire Equipment* case.

No other Court of Appeals has passed on the question. The question has been decided by the District Court for the Southern District of Florida, Tampa Division, in *Dal-*

ton v. *Shakespeare Company* (D.C. S.D. Fla., 1951), No. 1884-Civ. T (unreported), and by the District Court for the District of Columbia in *Nachtman* v. *Jones & Laughlin Steel Corporation* (D.C. D. of C., 1950), 90 F. Supp. 739. In each of these cases, and in *C-O-Two Fire Equipment Co.* v. *Barnes*, the decisions of the respective Courts are in full accord with the decision of Judge Harrison in the *Gulf et al.* v. *Schlumberger* case.

The only conflict which exists today is in the decisions of different judges of the District Court for the Southern District of California in the Ninth Circuit. In that district, in addition to Judge Harrison's determination of the question in the *Gulf et al.* v. *Schlumberger* case, Judges Mathes and Hall passed on the question in *Radio Corporation of America* v. *Paramount Pictures, Inc. et al.* (D.C. S.D. Cal., C.D., 1950), C.A. No. 8070-WM, unreported, and *Farr Co.* v. *Gratiot* (D.C. S.D. Cal., C.D., 1950), 92 F. Supp. 320. In the last named cases the decisions are contrary to that of Judge Harrison. Both cases were decided prior to Judge Harrison's decision in the *Gulf et al.* v. *Schlumberger* case. Both were considered and rejected by him in the *Gulf et al.* v. *Schlumberger* case. All three of these decisions in the District Court for the Southern District of California were considered by the Court of Appeals for the Seventh Circuit in the *C-O-Two Fire Equipment Co.* v. *Barnes* case, *supra*. There the Court of Appeals, in adopting the views of Judge Harrison on the question in issue, said:

> "The instant question has been before the District Courts in a number of cases, some precisely in point and other persuasive because of their close analogy. The weight of such decisions militates strongly against the intervenor's position. One of the best reasoned opinions is that of District Judge Harrison in Gulf Research & Development Co. et al. *v.*

> Schlumberger Well Surveying Corp., 92 F. Supp. 17. * * * This opinion is also interesting from the fact that Judge Harrison reached a result opposite to that reached by two of his associates on the same court. Farr Co. *v.* Gratiot et al., 92 F. Supp. 320, and Radio Corp. of America *v.* Paramount Pictures, Inc. (P.C. S.D. Cal. 1950), an unreported decision. The opinion in the Farr case was written by District Judge Hall. The opinions in these two cases, that is, in Gulf and Farr, written by Judges in the same District, contain about all that can be said on the opposing sides of the controversy. We think Judge Harrison reached the right result."

Maintaining consistency of decisions in the District Court for the Southern District of California is the task of the Court of Appeals for the Ninth Circuit. In *Gulf Research & Development Company et al.* v. *Harrison, supra,* (R. 16, 20), that Court considered the decisions of the Southern California District Court on which petitioners rely here and which were urged there as a reason for granting mandamus. It held that the lack of uniformity of decision within a given district on the venue question did not justify a review of Judge Harrison's transfer order by way of mandamus. No effort was made by petitioners to have that decision reviewed by this Court. In these circumstances, it would seem clear that conflict of decisions on the venue question within the District Court for the Southern District of California in the Ninth Circuit does not warrant the issuance of a writ of certiorari to the Court of Appeals for the Third Circuit.

The other cases relied on by petitioners are not in point. The case of *Bagner* v. *Blidberg Rothchild Co.* (D.C. E.D. Pa., 1949), 84 F. Supp. 973, and *Bounds* v. *Streckfus Steamers* (D.C. D. Del., 1950), 89 F. Supp. 242, involved actions under the Jones Act, Title 46 U.S.C. §688. The *Bounds* case merely followed the *Bagner* case and in the

Bagner case the Court said, in effect, that the interpretation of Section 51 of the Judicial Code of 1911 (Section 112 of Title 28, U.S.C., 1940 ed.) controlled the interpretation of the venue provisions of the Jones Act prior to the revision of the Code; and that when Section 112 was modified by the revision of the Code, that in turn changed the interpretation of the Jones Act. No such argument can be advanced here in the face of the decision of this Court in *Stonite Co.* v. *Melvin Lloyd Co., supra.*

Lipp v. *National Screen Service Corp.* (D.C. E.D. Pa., 1950), 95 F. Supp. 66, holds that Title 28 U.S.C. §1391(c) modified Section 12 of the Clayton Act, Title 15 U.S.C. §22, so as to make proper an anti-trust action against a foreign corporation which is not doing business in the district but which is licensed to do business there. In so holding, the Court stated (95 F. Supp. at p. 69) that anti-trust plaintiffs

> "* * * are not deprived of the benefits of these general venue provisions * * *. The venue provisions of the anti-trust laws were enacted to give anti-trust plaintiffs special venue privileges in addition to those granted by general venue statutes."

This reasoning does not apply to the case at bar. *Stonite Co.* v. *Melvin Lloyd Co., supra.*

Conclusion

The petition is without merit and should be denied.

Respectfully submitted,

WORTHINGTON CAMPBELL,
E. ENNALLS BERL,
MARK N. DONOHUE,
Counsel for Respondents.

April 9, 1952.

APPENDIX A

(Portions of revised Title 28, U. S. Code)

§1391. Venue generally.

* * *

(c) A corporation may be sued in any judicial district in which it is incorporated or licensed to do business or is doing business, and such judicial district shall be regarded as the residence of such corporation for venue purposes.

§1400. Patents and copyrights.

* * *

(b) Any civil action for patent infringement may be brought in the judicial district where the defendant resides, or where the defendant has committed acts of infringement and has a regular and established place of business.

§1404. Change of venue.

(a) For the convenience of parties and witnesses, in the interest of justice, a district court may transfer any civil action to any other district or division where it might have been brought.

§1406. Cure or waiver of defects.

(a) The district court of a district in which is filed a case laying venue in the wrong division or district shall dismiss, or if it be in the interest of justice, transfer such case to any district or division in which it could have been brought.

APPENDIX B

UNITED STATES OF AMERICA
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN THE

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF ILLINOIS

EASTERN DIVISION

CARDOX CORPORATION, *Plaintiff,* vs. C-O-TWO FIRE EQUIPMENT COMPANY, *Defendant,*	Civil Action No. 51 C 1007.

TRANSCRIPT OF PROCEEDINGS

had in the above-entitled cause before the Honorable John P. Barnes, one of the Judges of said Court, in his court room in the United States Court House at Chicago, Illinois, on October 15, 1951 at 10:00 'clock a.m.

APPEARANCES:

HAIGHT, GOLDSTEIN & HAIGHT,
(209 S. LaSalle st., Chicago 4, Ill.),
by John W. Hofeldt, Esq., for plaintiff;

DAWSON & OOMS,
(209 S. LaSalle st., Chicago 4, Ill.),

IRVING HERRIOTT, Esq.,
Montgomery, Hart, Pritchard & Herriott,
(120 S. LaSalle st., Chicago 3, Ill.),

R. MORTON ADAMS,
Pennie, Edmonds, Morton, Barrows & Taylor
Edward T. Connors
(247 Park Avenue, New York 17, N. Y.), for defendant.

And thereupon the following proceedings were had herein:—

By the Clerk: No. 51 C 1007. Cardox Corporation v. C-O-Two Fire Equipment Company.

By Mr. Herriott: This is a motion, if the Court please, to dismiss an action for patent infringement because we claim the venue is not properly laid.

Briefs have been filed.

By the Court: I have read them.

Whose motion is it?

By Mr. Herriott: It is my motion, for the defendant.

By the Court: You contend that this is a special statute; that is your contention?

By Mr. Herriott: That the patent venue statute is special.

By the Court: I am against you.

By Mr. Herriott: I did not hear that last, your Honor.

By the Court: I am against you.

By Mr. Herriott: I would like to be heard for a moment, if the Court please.

By the Court: This is not the first time I have had it. I will hear you very briefly, but I am against you.

Who is associated with you?

By Mr. Herriott: Ooms & Ooms.

By the Court: Oh. They argued that question once.

By Mr. Herriott: I am familiar with that case.

By the Court: I recall that case.

Is he here?

By Mr. Herriott: I don't think he is here. He said he would be.

By the Court: That is too bad, because he is hoist on his own petard, because he asserted in a formal order something that I did not say in deciding a case.

By Mr. Herriott: And it wasn't necessary to be passed on?

By the Court: And it wasn't necessary to be passed on. But nevertheless I am against you.

By Mr. Herriott: Well, if your Honor feels that way about it—

By the Court: I think that the general statute controls. I am against you.

By Mr. Herriott: Except, may I just make this one statement, that if the general statute defining residence of a corporation applies to patent infringement—

By the Court: There is a later statute.

I am against you. I would just be glad to have you send that question up.

By Mr. Herriott: I want to make this one additional statement, that if the general statute is controlling then the patent venue statute is meaningless.

By the Court: Maybe so. But I am going to enforce it until I get reversed.

By Mr. Herriott: The motion will be denied?

By the Court: Motion denied.

You tell your associate what I said, will you?

By Mr. Herriott: I shall.

I was retained in the case by New York patent counsel.

By the Court: He put that provision in that order. I didn't say anything about it because it was unnecessary to the decision. But he put it in there. I would have liked to tell him about it. You tell him.

By Mr. Herriott: I shall.

Your Honor, we want time to answer.

By the Court: How much time?

By Mr. Herriott: Could we have thirty days?

By the Court: Thirty days.